Saskatchewan Milk Control Board Update

Volume 14 No.11, July 15, 2008

CHAIRMAN'S MESSAGE – LEONARD BLOCKA

The end of the 2007-2008 dairy year is quickly approaching, which means that our fall production period is just around the corner. History has shown that the greatest demand for milk is in the fall period, and with that, higher prices received by producers for milk produced at this time of year.

Traditionally, milk production tapers off each fall in Saskatchewan. This results in the province playing "catch-up" during the remainder of the dairy year to ensure that we, as a province, are at 97% on January 31st and 99.5% on July 31st.

Producers have done a tremendous job in ensuring that Saskatchewan reaches its production targets at these reconciliation periods over the past number of years, and the Board wants to ensure that this continues into the future. Unfortunately, it appears that Saskatchewan will not reach its 99.5% production target for July 31st.

Saskatchewan will be permitted to carry forward 0.5% of its 2007-2008 quota into the next dairy year, but we will not be permitted to carry forward the entire amount that the province will be under for the current dairy year. The Board is projecting that Saskatchewan will end the current dairy year at 99.2% to 99.3%, meaning that the province will have to forgo production opportunity of 0.2% to 0.3% because this amount cannot be carried forward to the next dairy year. While the province loses this opportunity to produce this quota, this will not have an effect on individual producer quotas over the year previous.

For the aforementioned reasons, the Board has allocated an additional 2% temporary quota, which will not be included in the 97% calculation, to producers on August 1st. The Board anticipates that many producers will take this opportunity to produce additional milk commencing in the new dairy year, and this will help the province maintain a more steady supply of milk throughout the dairy year and ease the pressure on the province to meet its production goals at the two reconciliation periods. Producers can expect to receive their specific quota increase information on their August or September quota management sheets, depending on when final quota calculations are determined by the Canadian Dairy Commission.

Attached to this newsletter is a milk production estimation survey. Although the completion of these surveys is optional, the Board encourages all producers to take a few minutes to fill out the survey and fax it to the Board office. The information gathered on this survey is strictly confidential, and assists Board staff in projecting future production for Saskatchewan.

Lastly, I would like to wish you and your families a happy and safe summer and wish you all the best in the new dairy year.

QUOTA EXCHANGE

The first Quota Exchange for the 2008-2009 dairy year (results effective August 1) was conducted on July 15, 2008. The market-clearing price established for the Unused Quota Exchange was **$48.60**. Because there is no used quota at the beginning of the dairy year, there was no Used Quota Exchange. The results of the July 2008 Unused Quota Exchange are outlined in the following Table.

The next monthly Quota Exchange for the 2008-2009 dairy year will be held on August 15, 2008. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the Board office by midnight, August 6, 2008. The Board recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange.

Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange.

The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

UNUSED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	**$48.60**
Kilograms offered to Purchase	**2,500**
Kilograms offered to Sell	**52,815**
Kilograms sold	**1,073**
Number of Producers	
- offered to purchase	**1**
- purchased quota	**1**
- offered to sell	**7**
- sold quota	**2**

UNUSED QUOTA EXCHANGE

Price ($/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
45.00	1	1	1,000	1,000	-1,500	2,500	0	1	0
48.60	**1**	**2**	**73**	**1,073**	**-1,427**	**2,500**	**0**	**1**	**0**
50.00	1	3	11,742	12,815	10,315	2,500	0	1	0
55.00	1	4	6,000	18,815	16,315	2,500	2,500	1	1
56.00	1	5	20,000	38,815	38,815	0	0	0	0
59.75	1	6	7,000	45,815	45,815	0	0	0	0
60.00	1	7	7,000	52,815	52,815	0	0	0	0

BUTTERFAT PRODUCTION & COMPONENT PRICING June 2008

Butterfat production for June 2008 totalled approximately 703,246 kilograms. This was an increase of approximately 4.16% over June, 2007 shipments. **For the first eleven months of the 2007-2008 dairy year, Saskatchewan's allocation of Total Production Quota totalled approximately 8,010,477 kilograms. In the first eleven months, the province has shipped 98.98% of that amount.** Comparatively, for the same time frame in the 2006-2007 dairy year, the province shipped 98.57%.

WEIGHTED AVERAGE COMPONENT TESTS & PRICES June 2008

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.6661	$10.818408
Protein	3.2800	$ 7.818408
Other Solids	5.6854	$ 1.127652

Based on the average component tests for the province, the average price received was $71.7176 per hectolitre. **The average butterfat price received per kilogram was $19.56.** Over quota (4m) holdings are $1,999,744.69 for the first eleven months of the 2007/2008 dairy year.

SASKATCHEWAN MILK POOL RESULTS MAY 2008

Milk Sale Revenue	$ 12,994,004.25
Western Milk Pool	$ 838,768.15
Dairy Farmers of Canada Skim Off	$ -19,057.34
Plant of Last Resort Service	$ -56,119.58
Truck Seals	$ -536.37
Total Pool Value	**$ 13,757,059.11**

YEAR END QUOTA CALCULATIONS

Please be aware that all quota increases throughout the 2007-2008 dairy year (permanent and temporary) will be included in the Board's calculations to determine individual producer's 97% minimum quota maintenance requirement at dairy year end. The Board will base its calculations on your individual Total Production Quota in place as of May 30, 2008.

PRODUCER SURVEY

Please find attached a milk production estimate survey. Producers are asked to take the time to estimate production for the first three months of the 2008-2009 dairy year and fax the form to our office at (306) 787-1988 by **August 25, 2008**. The Board appreciates your cooperation, as it assists us to estimate production trends for the coming dairy year.

QUOTA MANAGEMENT TABLE

Please find enclosed your quota management results for June, 2008. This Table indicates the percentage of each producer's quota allocation utilized as well as the kilograms of butterfat produced by these shipments. If you have any questions, please contact our office.

ACCOUNTING VALUES FOR CLASSES OF MILK JULY 2008

	Butterfat ($/kg)	($ per hl. Skim milk)	
Class 1a	$5.3000	$64.33	
Class 1b	$5.3000	$64.33	
Class 1c	$5.3000	$54.30	
	Butterfat ($/kg)	**Protein ($/kg)**	**Other Solids ($/kg)**
Class 2	$7.3088	$5.4705	$5.4705
Class 3a	$7.3088	$12.7797	$0.8521
Class 3b	$7.3088	$12.5270	$0.8361
Class 4a, 4b, 4d & 4d(i)	$7.3088	$5.0721	$5.0721
Class 4a(i)	$7.3088	$3.0000	$3.0000
Class 4c	$7.3088	$4.3872	$4.3872
Class 4m	$0.00	$0.00	$0.00
Class 5a	$3.4287	$8.5591	$0.1742
Class 5b	$3.4287	$2.4899	$2.4899
Class 5c	$3.8428	$2.4899	$2.4899
Class 5d	**As determined by**	**the CDC**	

ANTIBIOTIC TESTING

Inhibitors as defined in *The Dairy Producers Regulations, 1995*, are any antibiotic, medicine or chemical preparation that can be detected in milk using standard methods. **Antibiotics** are the most common inhibitors found in raw milk and **prevention** of antibiotic residue contamination is a key component of quality milk production.

The following questions and answers are not meant to endorse a specific company or test kit but rather to provide information regarding testing done at the Saputo plant and Dairy Lab, on farm testing options and contact information for distributors.

What antibiotic testing is done at the plant?
All loads are screened prior to unloading. The plant uses the Charm SL Beta-lactam test which tests for the following beta lactams: amoxicillin, ampicillin, cephapirin, ceftiofur and penicillin G. All producer samples from a positive load are sent to the Dairy Lab for confirmation testing.

What test kit does Agrifoods carry?
Agrifoods carries for sale the SNAP® Beta-lactam test kits and tester. This test tests for: amoxicillin, ampicillin, ceftiofur, cephapirin and penicillin.

What antibiotic testing is done at the Dairy Lab?
Each producer is randomly tested once during a four week period using the *Bacillus Stearothermophilus* Disc Assay test. Designed specifically for the detection of beta-lactams the test can also show zones for the following drugs: streptomycin, erythromycin, novobiocin, tetracycline and gentamycin

Confirmation testing of producer samples from positive loads is done using the Disc Assay test or the Charm SL-6 Beta-lactam test which tests for the following beta-lactams: amoxicillin, ampicillin, cephapirin, ceftiofur, cloxacillin and penicillin G.

Regular screening of truck route samples is done using the Charm Sulfa and Tetracycline tests. The Charm Sulfa tests for: sulfadimethoxine and sulfamethazine and the Charm Tetracycline tests for: chlortetracycline, oxytetracycline and tetracycline. To date there have been no positive results.

What tests can/should producers use on farm?
Producers should always use a test kit specific to the drug that they are using.

IDEXX Laboratories- is the suppliers of the SNAP® residue test kits. As stated earlier Agrifoods carries the SNAP® Beta-lactam test kits but there are also test kits available for tetracyclines (ie LA-200® and Oxytet®), sulfamethazine and gentamicin.

IDEXX – Western Canada: telephone 1-800-551-0998 ext. 4622
www.idexx.com/dairy

CHARM SCIENCES INC- is the supplier of the CHARM test kits. Along with a test kit for beta-lactams they also have test kits for tetracyclines and sulfas.

CHARM SCIENCES INC- US based company
Telephone: 1-978-687-9200
Email: info@charm.com
www.charm.com

If you have questions about antibiotic testing or require further information please contact Deb Haupstein, Provincial Dairy Specialist 306-787-6457.

QUOTA LISTING SERVICE

The Board offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows, miscellaneous dairy equipment, or swap quota is welcome to contact the Board office at (306) 787-5319. All prices and negotiations will be independent of the Milk Control Board.

Quota &/or Cows for Sale

- Dwayne Ens has quota for sale. Call (306) 225-2152.
- Quota for sale. Contact Elmer or Elsie Gerbrandt @ (306) 773-5618
- Cows and quota for sale. Contact Ashley Duff @ (306) 783-6896
- Quota for sale. Approximately 32,000 kilograms. Contact Dan Hazell @ Glenacre Holsteins. Phone (306) 224-4850. Fax (306) 224-4909.
- Quota for sale. Contact Kevin at (306) 549-2129.

- Approximately 24,000 kilograms of butterfat. Holstein cows, heifers, calves and bulls. Take possession August 1, 2008. Contact Clara Ollenberger at (306) 753-2747 or cell phone (306) 753-7767.

- Cows and quota for sale. Contact Ferch Farms at (306) 736-2205.

- Quota for sale with a transfer date of August 1, 2008 (approximately 21,033 kilograms) Contact Melanie @ (306) 764-7865.

- Cows and quota (approximately 40,000 kilograms). Please contact Ken Schmidt @ (306) 374-8980

- Quota for sale – contact Fred or Anne Monchuk at (306) 365-4750.

- Bred heifers for sale – contact Danny at Box Elder Colony – (403) 502-9997

- Lloyetta Holsteins have sold their cows and quota November 2007. We have kept our home bred heifers and have purchased some quality heifers. Many heifers have deep pedigrees from popular bulls such as Goldwyn, Final Cut, Sept. Storm, FBI, Titanic, Jasper and others. We also have some very nice Grade heifers due in early 2008. We have a total of 100 heifers and feel we can meet your cattle needs. The heifers will start calving in January 2008 and we will have springing heifers thru 2008 and 2009. We have breeding age bulls and younger for sale, most from VG dams with high production. Call Lloyd & Loretta Sawatzky, Box 58, RR #4, Saskatoon at (306) 239-4818 or Cell (306) 281-2247.

Wanted to purchase

- Holstein bull calves. Will pick up on-farm. Call for competitive pricing. Call Dan at (403) 635-1415.

Miscellaneous For Sale

- 16 Waikato milk meters $250 each; 5,000 gallon new Delaval bulk tank, made in U.S.A. $50,000. Contact Corman Holsteins (306) 933-4608

- Dairy equipment for sale: Knight TMR mixer, Agrimetal silage cart with 5.5 hp Honda gas motor, 2 belt conveyors, 1000 gallon Delaval bulk tank with 2 compressors and new auto wash, 2" stainless steel pipeline. Heifers for sale: 12 registered good pedigreed Holstein heifers due September and October. One registered Jersey heifer due September. Contact Lloyd Sawatzky (306) 239-4818

- 2002 Tubeline Bale Wrapper and a dismantled 25/90 Harvestorg Silo. Call David Slykhuis @ (306) 453-2878 in Carlyle, SK

- DeLaval I.D. Transponders, Neck belts, neck belt numbers. Call Chad at (306) 598-2054.

- 2000 gallon Delaval tank. Call James Hein (306) 365-3209

MILK CONTROL BOARD MEMBERS

Leonard Blocka, Chairman	Phone – (306) 764-8439
Dr. David Christensen	Dairy researcher/professor U of S – Phone (306) 966-4152
Joseph Guenther	Dairy producer – Phone (306) 239-4689
David Finlay	Dairy producer – Phone (306) 493-2403
Garf Stevenson	Consumer representative
Joanne Mortenson	Processor representative

For further information, please contact the Saskatchewan Milk Control Board office.

1210-2500 Victoria Avenue Telephone (306) 787-5319
Regina, Saskatchewan S4P 3X2 Fax: (306) 787-1988

Website: www.smcb.ca email: info@smcb.ca

PRODUCER SURVEY

Please complete the following producer survey regarding your estimated production for August, September and October of the 2008-2009 dairy year. Thank you for providing this information to the Board, as it assists us to estimate future production trends. Please fax to the Milk Control Board by ***August 25, 2008.*** Fax: (306) 787-1988.

PRODUCER ESTIMATED PRODUCTION

Producer I.D. #_____

Month	Days	Number of Pickups in month	Number of cows milking	Estimated Litres shipped in month	Estimated butterfat test for month
August	31				
September	30				
October	31				